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FILED & ENTERED

AUG 24 2021

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY **duarte** DEPUTY CLERK

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA DIVISION

In re:

THE SOURCE HOTEL, LLC, a
California limited liability company,

Debtor and Debtor in Possession.

Case No.: 8:21-bk-10525-ES

Chapter 11

**ORDER GRANTING MOTION FOR
ENTRY OF ORDER APPROVING
SETTLEMENT WITH SHADY BIRD
LENDING, LLC AND GUARANTORS, AS
SET FORTH IN THAT CERTAIN
STIPULATION FOR RELIEF FROM THE
AUTOMATIC STAY AND ANCILLARY
RELIEF, AND GRANTING RELATED
RELIEF**

Hearing:

Date: August 12, 2021

Time: 10:30 a.m.

Place: ZoomGov

1 A hearing was held on August 12, 2021 at 10:30 a.m. (the “Hearing”), before the
2 Honorable Erithe A. Smith, United States Bankruptcy Judge for the Central District of
3 California, Santa Ana Division, in Courtroom “5A” located at 411 West Fourth Street, Santa
4 Ana, California 92701 (via ZoomGov), to consider the motion [Doc. No. 190] (the “Motion”)
5 filed by The Source Hotel, LLC, a California limited liability company (the “Debtor”), the
6 debtor and debtor in possession in the above-captioned chapter 11 bankruptcy case, for the entry
7 of an order approving the terms and conditions of, and authorizing the Debtor to enter into and
8 implement, a settlement (the “Settlement”) reached by and among the Debtor, its secured
9 lender, Shady Bird Lending, LLC (“Shady Bird”), and the guarantors of the Debtor’s loan with
10 Shady Bird, Donald Chae and Min Chae (together, the “Guarantors”), as set forth in that certain
11 *Stipulation For Relief From The Automatic Stay And Ancillary Relief* (together with the related
12 agreements attached thereto, the “Stipulation”), a true and correct copy of which Stipulation was
13 filed with the Court on July 19, 2021 as Docket Number 188 and is attached as Exhibit 1 to the
14 Motion. Appearances at the Hearing were made as set forth on the record of the Court.

15 The Court, having considered the Motion and all papers filed by the Debtor in support of
16 the Application, the limited opposition to the Motion filed by Westransco, Inc. [Doc. No. 199]
17 (the “Westransco Opposition”), the limited objection to the Motion filed by EB5 investors Mr.
18 Jian Hua, Mr. Jun Liu, and Ms. Haiyuan Ma [Doc. No. 200] (the “EB5 Investor Opposition,”
19 and together with the Westransco Opposition, the “Oppositions”), the reply to the Oppositions
20 filed by Shady Bird [Doc. No. 204], that certain *Stipulation Resolving Interim Payment Of*
21 *Receiver’s Fees And Expenses In Lieu Of Receiver’s Objection To Motion For Entry Of Order*
22 *Approving Settlement With Shady Bird Lending, LLC And Guarantors, As Set Forth In That*
23 *Certain Stipulation For Relief From The Automatic Stay And Ancillary Relief* entered into by
24 the Debtor, Shady Bird and Bellann Raile, the state court-appointed receiver [Doc. No. 197]
25 (the “Receiver Fee Stipulation”), the oral arguments, statements and representations of counsel
26 and parties in interest made at the Hearing on the Motion, and all matters of record in the
27 Debtor’s Chapter 11 bankruptcy case, proper and adequate notice of the Hearing on the Motion
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1 having been provided, having found that the Settlement, in accordance with the terms and
2 conditions set forth in the Stipulation, is in the best interests of the Debtor's bankruptcy estate,
3 and other good cause appearing,

4 IT IS HEREBY ORDERED AS FOLLOWS:

5 1. The Oppositions are overruled and the Motion is granted.

6 2. The Stipulation is approved in its entirety.

7 3. The Debtor is authorized to enter into the Stipulation and to take all steps
8 reasonably necessary to implement and consummate the terms and conditions of the Stipulation.

9 4. Nothing in the Stipulation or this Order shall be deemed to affect the validity,
10 extent, and priority of any liens held by any party against the Debtor's assets, and nothing in the
11 Stipulation or this Order shall be deemed to affect the validity and/or amount of any allowed
12 administrative expense claims held by any party against the Debtor and its bankruptcy estate.

13 5. Nothing in the Stipulation or this Order shall be deemed to prejudice the rights of
14 the Debtor to assume and assign the Ground Lease pursuant to 11 U.S.C. § 365, nor prejudice the
15 rights of any assignee of the Ground Lease provided under 11 U.S.C. § 365.

16 6. The Receiver Fee Stipulation is approved, and the parties thereto are authorized to
17 take all steps reasonably necessary to implement and consummate the terms and conditions of the
18 Receiver Fee Stipulation.

19 7. The continued hearings scheduled on September 30, 2021 at 2:00 p.m. for the
20 Court to consider that certain (i) *Motion Of Shady Bird Lending, LLC For Order Excusing State*
21 *Court Receiver From Turnover Of Assets Pursuant To 11 U.S.C. § 543* [Doc. No. 51] (the
22 "Receiver Motion"), and (ii) *Notice Of Motion And Motion For Relief From The Automatic Stay*
23 *Under 11 U.S.C. § 363 (Real Property)* [Doc. No. 62] (the "RFS Motion") are vacated.

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1 8. The 14-day stay period set forth in Rule 4001(a)(3) of the Federal Rules of
2 Bankruptcy Procedure is waived with respect to the effectiveness of this Order.

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24 Date: August 24, 2021


Erithe Smith
United States Bankruptcy Judge